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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

DAILY DIGEST

Date: JUL 23 1951

- NOTE: 1. This summary of significant reports has been prepared primarily for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current reports in CIA or in the Office of Current Intelligence.
2. Comments represent the preliminary views of the Office of Current Intelligence.
3. Marginal letter indications are defined as follows:
- "A" - items indicating Soviet-Communist intentions or capabilities
 - "B" - important regional developments not necessarily related to Soviet/Communist intentions or capabilities
 - "C" - other information indicating trends and potential developments

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SECTION 1 (SOVIET)

"C" USSR. Workers Pledge Increased Production. Workers of the Zaporozhye Azovstal Ordzonikidze Metal Enterprise recently pledged themselves to take on additional work in order to achieve increased production. They promised Stalin to fulfill the annual plan for 1951 ahead of schedule and to produce over and above the plan 10,000 tons of pig iron, 15,000 tons of steel, and 10,000 tons of rolled metal. In addition, they promised to increase labor productivity, reduce production costs, and economize millions of rubles by cutting down on power and wastage. Other aims announced by the workers are the introduction and application of new technology, increased production by all blast furnaces, and the intensification of all steel smelting processes. In addition, they intend to take measures involving the mechanization of labor consuming processes, the rationalizing of production, and the introduction of a new line of products. In order to carry out this increased work schedule they are committed to train and increase the technical qualifications of 3,200 workers. COMMENT: This program is more or less typical of numerous others encountered in every branch of Soviet industry, and is an indication that industrial production is still far removed from stabilization levels.

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"A" USSR-POLAND. Unprecedented Attendance of Communist Bigwigs Marks Polish Anniversary Ceremonies. Politburo member V. M. Molotov and Marshal G. K. Zhukov of the USSR as well as Deputy Premiers or Foreign Ministers and high ranking military officials from East Germany, Albania, Czechoslovakia, Rumania, Bulgaria, Hungary and Outer Mongolia attended the Polish Liberation Day ceremonies in Warsaw 22 July. Also present were the Polish Minister of National Defense Marshal Rokossovski and the Vice-Minister, General Poplawski, the former rumored to have been shot and wounded by the latter.

Commemorating the occasion by a public address, Molotov stressed the benefits to Poland of its friendly postwar relationship with East Germany and particularly the USSR. He pointed out the advantages to Poland of these friendships which enabled Poland to avoid following the deviationist path of Yugoslavia or reverting to its disastrous prewar policy of playing Teuton against Slav. The present situation in Korea was mentioned only as an example of the USSR's continued efforts to obtain peace. Anti-Western lines were reiterated, such as the danger to the Orbit from Western espionage and sabotage agents, Western preparations for a new war, development by the US of an increasing number of military bases in Europe and the Near East and Western "acts of direct aggression."

Marshal Zhukov's speech was limited in the main to the successful development of the Polish Army.

COMMENT: This is the first time that the Polish National holiday has been attended by such high ranking Orbit notables. The presence of Zhukov and

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Molotov and the tenor of the latter's speech suggests that it is a preliminary justification to Poland for new Soviet moves favoring East Germany. Molotov's reference to Yugoslavia appears more as a warning to Poland of what a Satellite should not do rather than a threat to Yugoslavia. The most surprising aspect of these anniversary services was the presence of Zhukov in Warsaw, apparently his first appearance outside the USSR since 1946. During the last war Zhukov achieved such prominence and popularity, that the Kremlin felt forced to relegate him to the obscurity of commanding a comparatively unimportant military district in the interior of the USSR.

"C" EASTERN EUROPE. HUNGARY. Catholic Bishops Swear Allegiance to Communist Government. On 21 July all Hungarian Catholic Church leaders who are not in jail took an oath of allegiance to the Hungarian People's Republic. Assistant Bishops represented the dioceses of Cardinal Mindszenty and Archbishop Josef Grosz who are now imprisoned after having been convicted of having plotted to overthrow the regime. For two years the Bishops had refused to sign the oath which a decree of October 1949 requires of everyone on the Government's payroll. [REDACTED] COMMENT: This is further evidence that the Communist regime, after removing Archbishop Grosz, has succeeded in destroying the unity and strength of the Catholic Bench of Bishops, now under the leadership of the relatively pliant Bishop Gyula Czapik. [REDACTED]

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"A" YUGOSLAVIA. Arrest of Additional Cominformists Reported. Embassy Belgrade has learned from several reliable sources that a number of Yugoslav Government employees were arrested on charges of Cominformism during the weekend of 14-15 July. At least five of those arrested were employed in the Council of Communication and Transport, and included the chiefs of the military operational and the drafting and planning sections. One source states that these persons will soon be publicly charged with responsibility for numerous recent transport accidents. Others arrested were two Tanjug (official Yugoslav news agency) employees and a Deputy Minister of the Council of Public Health and Welfare. The Embassy indicates, however, that none of the reports suggests the existence of a plot between the above named individuals. [REDACTED] COMMENT: The Yugoslav Government has recently arrested three important governmental officials on charges of Cominformism in addition to the persons mentioned above. The increasing number of arrests on this count suggests that Cominformists are either becoming more numerous or more active thereby facilitating their apprehension by the security police. The regimes current program, involving some compromise of basic Communist theories and greater reliance on Western assistance, has undoubtedly encouraged the growth of Cominformism by causing some Party members who originally supported the break with the USSR to question the wisdom of that action. Moreover, many previously concealed Cominformists may have been encouraged by these developments to become more active and thus to reveal their hidden loyalties.

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The available evidence, however, indicates that the Tito regime is capable of successfully coping with the problem of Cominformism within Yugoslavia.

"B" US to Extend Immediate Military Aid to Yugoslavia. In accordance with the formal request for military supply aid made by the Yugoslav Government on 28 June [] the US is planning to make immediate arms deliveries to Yugoslavia. Funds for this assistance will be obtained from the \$77,500,000 MDAP special stockpiling fund program which was readied earlier this year in order that the US might rapidly provide military supplies whenever Yugoslavia was prepared to receive overt military assistance. In addition, the US is preparing to extend to Yugoslavia \$25-30,000,000 as the first installment of economic aid during fiscal year 1952. []

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"C" Yugoslav Government to Cooperate on Trieste Refugee Problems. Yugoslav Deputy Foreign Minister Mates has informed the British Ambassador that Yugoslav authorities "will take all the necessary steps" to transport German refugees still in Yugoslavia directly to Germany, thus bypassing Trieste. He also indicated that the Yugoslav Government is prepared to consult with IRO and the involved countries about the refugees before they leave Yugoslavia. The Yugoslav authorities will refuse further exit visas for Trieste unless the applicants already have Trieste entry permits (obtainable in the British Embassy Belgrade). The US Ambassador comments that similar assurance given previously by Mates apparently have not been implemented. []

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[] COMMENT: In January 1951, and again in June, the Yugoslav Foreign Office assured US Embassy officials that refugees would not be expelled to Trieste without entry permits. German refugees remaining in Yugoslavia are a small group whom the Yugoslav Government is seeking to get rid of apparently on security grounds.

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SECTION 2 (EASTERN)

"B" NEAR EAST. First Reactions To Abdullah's Assassination. Although all responsible elements in Syria deplore political murder, a surprising number of younger men feel that the Arab leaders such as Abdullah who were responsible for the Palestine disaster ought somehow to be removed. The average Syrian feels that Abdullah was a British tool, possibly even a traitor to the Arab cause and accepted his demise with equanimity and often with unconcealed pleasure.

In Beirut, Lebanon, where the assassinated ex-Prime Minister's funeral had been held a few days earlier the initial reaction was one of apprehension. Shops closed, and the government dispatched armored vehicles to the potential trouble spots.

Tel Aviv officials believed that Abdullah's death had removed one of the few friends Israel had in the Arab States and felt that the chances for peace between Israel and any Arab state had been lessened.

Inside Jordan martial law, curfew restrictions, and arrests have brought all activities to a standstill. Some rioting and looting occurred inside the Old City, Jerusalem, immediately after the assassination, caused in part by Jordanian Legionnaires apparently out of hand.

COMMENT: Abdullah's colorful career was studded with complex maneuvers and wide-spread intrigue. His death creates a new situation in the Near East which will invite further violence and treachery and encourage extreme nationalists.

"B" EGYPT. Officials Make Informal Offers To Remove Suez Canal Restrictions. Suggestions that methods might be found for alleviating Egyptian restrictions on Suez Canal traffic, particularly so that oil supplies could reach the refinery at Haifa, have been made by various Egyptian officials. Egypt's UN representative admitted to General Riley of the UN Truce Supervision Organization that Egypt had in mind permitting Haifa-bound oil to transit the Canal in return for the removal of Israel from the Aqaba area. General Riley deduced from this remark that if Israel accepted such a plan--which he admits is highly unlikely--Egypt might take the first step toward removing the Arab embargo against Israel. British newspapers have carried reports of the possible alleviation of the restrictions in return for guarantees that Israel would not use Haifa oil for aggressive purposes. The UK Foreign Office has no confirmation of this report and has informed the press that it plans

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to treat the reports with reserve. One official suggested that the report might be a news leak calculated to obtain some propaganda value from appearing conciliatory at the time of the SC discussion.

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COMMENT: The Egyptian remark about removing Israel from the Aqaba area refers to Israeli plans to develop a port at Elath, at the head of the Gulf of Aqaba, in order to by-pass the Suez Canal. Oil deliveries for Haifa via Elath, however, are not possible at present. Although the Security Council will have to discuss the Israeli complaint concerning the Egyptian restrictions, these Egyptian approaches might make a settlement of the problem through diplomatic methods possible. The assassination of King Abdullah by a terrorist, however, will be an added deterrent to Arab leaders who may be considering compromises with Israel.

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"A" AFGHANISTAN. Additional Evidence of Soviet Subversive Activity. The Afghan police have discovered that several Mullahs (Islamic religious leaders) have been sent into Afghanistan from Soviet Central Asia, according to reports reaching the US Embassy in Kabul. The police also have become increasingly aware of the necessity of curbing the distribution of Soviet Persian language propaganda materials disseminated mainly by the Soviet Trade Agency in Kabul.

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(C Kabul 48, 20 Jul 51). COMMENT: The Mullahs exercise a large measure of control over public opinion in Islamic countries. Their use by the Soviets proves that Islam is not impervious to Communist infiltration.

"C" PAKISTAN. Ambassador To Communist China Named. Major-General Agha Mohammad Raza has been appointed Pakistan's first Ambassador to Communist China, it was announced on 19 July. Raza is reported to be a mediocre, discontented senior military officer and his appointment a "kick upstairs." He is currently Director of Protocol for the Pakistani Foreign Office. A former pupil in the British Military College at Sandhurst, he served in Burma during the last war. His brother is Military Attache in Washington.

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COMMENT: This appointment will open another window, however small, onto the Chinese world. The naming of a mediocre representative apparently reflects Pakistan's belief that it would not learn too much about conditions in China in any event. Whatever Raza does report, however, will be more apt to become known to the western world than is the case with India.

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"C" MALAYA. Non-Malay University Graduates Exceed Malays. An illuminating sidelight on the obstacles to Malayan nationhood and unity is provided by an unofficial tabulation of the most recent graduating class at the University of Malaya. Only five Malays received degrees as compared with 79 Chinese, 11 Indians, and 9 Eurasians.

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COMMENT: The relative apathy of the Malays, especially as compared with the energetic Chinese, presents the British with the

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perennial problem of how to move toward greater self-government in Malaya while at the same time forestalling the political submersion of the Malays by the Chinese.

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"C"

Burmese Threaten to Deport Vietnamese Propagandists. The Indonesian Charge in Rangoon told an officer of the US Embassy that the Burmese authorities have given the local Vietnam News Service (VNS) three months notice to cease its pro-Communist activities or face deportation of most of its staff. The source comments that while the chief of the VNS staff does not like the increasing Chinese Communist pressure to which he has apparently been subjected, he is too weak to resist or to overcome the pro-Communist leanings of his subordinates.

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COMMENT: While there is probably a good deal of truth in this report, it is problematical whether the Burmese Government will carryout such an overtly anti-Communist act.

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CHINA. Official Standings of Communist Party Leaders. A new Chinese Communist book, 'Thirty Years of the Chinese Communist Party,' by HU Chiao-mu, Vice-Director of the Propaganda Department of the Central Committee, provides useful information on the current status of a number of Chinese Communist leaders. This book, like other publications issued on the 30th anniversary of the CCP's founding (1 July), is a sustained eulogy of Chairman MAO Tse-tung, but HU goes beyond the other writers in praising or blaming certain other Party leaders by name. In view of the Communist practice of rewriting history to conform with the current status of Party leaders, it may safely be assumed that those receiving favorable notice in HU's book are now in the Party's good graces, and that those denounced by HU, but still active in the Party, are not among the CCP's high command.

Those condemned by HU are: CH'EN Tu-hsiu (deceased), the CCP's first Chairman; CHANG Kuo-t'ao, a later leader who opposed MAO; CH'U Ch'iu-pai (deceased), who followed CH'EN as Chairman; LI Li-san, who succeeded CH'U, for "left opportunism," i.e., the disastrous policy of attempting to capture urban strongholds; and CH'EN Shao-yu, who succeeded LI and preceded MAO, for "doctrinairism" and other sins

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(essentially the uncritical application of Marxist formulae to the China scene). CH'EN Tu-hsiu, CHANG and CH'U were expelled from the Party, and LI Li-san was sent to Moscow for 15 years and CH'EN Shao-yu for six. LI and CH'EN are again Central Committee members, but neither has been restored to the Politburo. HU's treatment of these figures further discredits rumors that either LI or CH'EN is prepared to challenge MAO for leadership of the Party.

Among those singled out for praise in HU's book are: LIU Shao-ch'i, Vice-Chairman of the CCP, who is repeatedly lauded for "correct leadership" in various fields; CHU Teh, C-in-C of the CCF; CHOU En-lai, Premier and Foreign Minister; HSU Hsiang-ch'ien, Chief-of-Staff of CCF; P'ENG Teh-huai, CO of the 1st Field Army; CH'EN I, CO of 3rd FA; LIN Piao, CO of 4th FA; HO Lung, a military leader; and LIN Po-chu (LIN Tzu-han), a Party leader. The treatment of LIU Shao-ch'i provides strong evidence that LIU is second only to MAO in the Party hierarchy. HU's praise of the other leaders is significant in the light of rumors that each of them has fallen from favor. While the precise status of these figures is not known, and certain of them may have gained or lost power in recent years or months, HU's book indicates that, as of last month, all of these leaders were still in MAO's favor.

"C"

New Counterrevolutionary Purge Technique Reported. A relatively lenient attitude was discerned in the Chinese Communist purge of counter-revolutionaries during the past week in Peiping and Canton by the US Consul General in Hong Kong. The Kwangtung authorities in particular, it was noted, may have orders to soften the purge, because of the bad effect on Chinese opinion overseas, or, because the campaign has achieved its main purpose and is beginning to slacken everywhere.

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COMMENT: Implementation of a May directive authorizing a softening of the purge program, has been observed in an increasing number of reports of the deferment of death sentences for two year periods, shorter prison terms, and immediate release after "education". Despite these signs of leniency the purge continues. It is doubtful that mitigation is a result of public opinion or that the "main purpose"--to eliminate actual and potential opposition--has yet been achieved.

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"C" Nationalist Sponsored Anti-British Campaign Reported Growing.
Anti-British feeling continues to grow in Formosa, as the efforts of Chiang's government to be included among the signatories of the Japanese peace treaty remain unsuccessful. In a recent editorial, "China News" berates the US for giving in to British "appeasement" of Russia, and warns that the "British-Soviet axis" will undermine the US position at the Kaesong cease-fire talks.

COMMENT: The Nationalist Government's animosity towards the British has received a new stimulus in reports of UK responsibility for their exclusion from the Japanese peace treaty negotiations. Protests, to date confined to verbal denunciations, may be augmented by demonstrations, including parades, boycotts, and "popularly supported" petitions.

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"B" Chinese Communists May Get Indonesian Crude Oil. A planned shipment in August of 3,000 to 4,000 tons of crude oil from Sumatra to Thailand, using a Chinese vessel, was reported to the US Consul in Medan by a fairly reliable source.

COMMENT: The ultimate destination of this crude oil probably will be Communist China, since there are no refineries to use crude oil in Thailand.

Chinese Communist efforts to import crude oil and gasoline from Indonesia.

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"B" Chinese Communist Korean Peace Propaganda Reported Ineffective.
The Chinese Communist propaganda that the US has been defeated in Korea and is suing for peace is not generally accepted in China, according to reports from two "reliable" contacts to the US Consul General in Hong Kong. The sources remarked that the people have learned to read "between the lines", and have noted (1) the failure to drive US troops from South Korea, (2) the urgent demands for students for military cadre schools, and (3) the need for money to buy armaments. Statements made by returned wounded and other troops have convinced the people that the Chinese forces in Korea must be in a serious situation. The people have a strong desire for peace, according to the sources, to lighten their burden and restore business. The Chinese Communist Party, itself, is said to be divided on this issue.

COMMENT: While the

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enthusiasm of a large portion of the Chinese people for the Korean venture has been waning in direct proportion to the exactions which the campaign has necessitated, there are no reliable indications that this dissatisfaction is prompting any marked increase in overt anti-Communist activity. The Chinese people doubtless would prefer peace. There have been persistent rumors, but little reliable evidence, of a split in the CCP high command regarding Korean policy.

"B" KOREA. Enemy Capable of Attacking with Little or No Additional Warning. As long as the present tactical situation remains unchanged, the immediate pre-offensive indications which in the past have provided an accurate basis for estimating the probable date of attack, may not be evident, according to US Eighth Army. The enemy is afforded sufficient front line intelligence, through generally close contact, to permit momentary offensive action without noticeable change in current counter-reconnaissance patrolling and probing activity. Recent enemy artillery activity tends to confirm deployment of artillery in forward areas reducing if not eliminating the necessity for last minute displacement and registration. No increase in deserters and stragglers is expected because of the deterrent effect of the enemy's almost continuous outpost line. Moreover, current weather conditions can and probably have enabled the enemy to displace troops and supplies into forward areas without detection. Further, the combat effectiveness of practically all enemy units in contact increases the probability of their offensive employment. The enemy's capability of moving his reserve to attack positions 24 hours prior to the attack further reduces the opportunity to obtain prior warning of attack. Eighth Army warns that even this movement might be accomplished without detection under present weather conditions.

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"C" Opposition Supports South Korean Government in Protesting Japanese Peace Treaty. The Democratic Nationalist Party, the Rhee Government's bitterest South Korean political opponent, has joined the Government in protesting the proposed Japanese Peace Treaty. The Party demands the incorporation of a clause, "Japan and Japanese nationals shall abandon all claims to property owned by them in Korea as of 9 August 1945." COMMENT: Thinking Koreans are united in feeling that failure to spell out Japanese abandonment of property claims in Korea will permit Japan or its nationals, at some future date, to make demands which would not only serve to disrupt Korea's economy but also might be an entering wedge for acquiring economic dominance over Korea. It is significant that the Democratic Nationalist Party is forming a united front with the Government on the issue.

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"C" JAPAN. International Spy Ring Uncovered. The newspaper "Sangyo Keizai Shimbun" reports that a spy ring of over 60 members who secretly entered Japan from Communist China has been uncovered by Japanese police. The

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police reportedly arrested over 50 persons in a raid on the quarters of the ringleaders on 8 July. [REDACTED] COMMENT: There has been no official confirmation of this report. For this reason, it is probable that the Chinese were primarily engaged in smuggling, with espionage only a secondary mission.

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Communist Party Membership Continues to Decline. The Japanese Government reports that the total registered membership of the Japanese Communist Party as of 12 July was 57,062, with an additional estimated non-registered membership of 35,000. This represented a decline of 1000 since last month. [REDACTED] COMMENT: Registered membership in the JCP reached its peak in March 1950, with 108,692, and has been declining steadily since that date. Part of this membership loss can be attributed to purges within the party and false resignations to facilitate the establishment of an underground organization. Loss of Communist influence is demonstrated by the recent local elections where the Communists lost all 18 of their mayoralty incumbents and one-third of their local assembly seats.

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SECTION 3 (WESTERN)

"B" GERMANY. Restrictions Placed on East German Entry into West Berlin. According to the Berlin press, the East German Minister of Interior has ordered that, effective immediately, all motor vehicles from East Germany and East Berlin are forbidden to transit West Berlin en route to other parts of East Germany. Indications were also received that, after 20 July, international passes will be required for East German residents desiring to enter West Berlin. Local US officials state that these restrictions may be preliminary to the Communists' World Youth Festival scheduled to be held from 5-19 August in East Berlin. [REDACTED] COMMENT: The planners of the forthcoming World Youth Festival are anxious to prevent a repetition of events at the 1950 Berlin Youth Rally, when large numbers of East German participants visited West Berlin despite Soviet efforts to prevent their exposure to Western influences. British officials, however, are reported to believe that the new restriction on motor travel may be a further Soviet attempt to combat the smuggling of illegal goods into West Berlin. The USSR cited such smuggling as the reason for their current restriction against West Berlin's exports.

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"C" ITALY. Proposed Program for New Government Will Not Overcome Communist Threat. Premier De Gasperi, who is currently engaged in forming his seventh cabinet, has announced that the new government's objectives would be: (1) a decrease of unemployment without jeopardizing financial stability, and (2) a reinvigoration of the state's authority through more severe national discipline and a more efficient functioning of the public administration. In order to meet the threat of the extreme left, he advocates a "greater propaganda of ideas" and firmer, more energetic action against the Communists within the framework of the constitution. [REDACTED]

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COMMENT: A decrease of unemployment is unlikely without departure from the government's present conservative financial policy. If the government gives priority to disciplinary action against the Communists rather than to carrying out land reform and other necessary socio-economic measures, the Communist vote potential will continue to improve.

"C" NETHERLANDS. Prospects Slim for Improvement of Deteriorating Balance of Trade Position. To date, the Netherlands cumulative EPU debt is \$288.1 million, and, according to the Netherlands Government's statement to the Second Chamber, the country's foreign trade deficit for the first four months of 1951 amounts to \$130.3 million, \$20 million more than during the same period in 1950. The government attributes the decline in the country's trade position partly to the decrease in Marshall Plan aid and admits that the country's foreign exchange position is a cause for grave concern. The Embassy comments that EPU has not taken any official action as yet for an increase in the EPU allocation to the Netherlands, although press reports indicate such efforts are under discussion. [REDACTED]

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[REDACTED] COMMENT: The Netherlands original estimate of its EPU deficit for 1951 was \$45 million but in reality this deficit has been increasing at an alarming rate. There is small chance for large-scale improvement in the Dutch position since Dutch exports are mostly non-essential from the defense program point of view, and the country has basic and substantial dollar import requirements. Fulfillment of the Netherlands Medium Term Defense Plan may be gravely retarded if there is no change for the better in the country's international trade situation.

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"B" PORTUGAL. Unopposed Government Candidate Wins Presidential Election. The Portuguese people voted on Sunday, 22 July, for the Salazar regime's official candidate, General Francisco Higinio Craveiro Lopes, to succeed the late Marshal Carmona as president. General Lopes' election was unopposed, the single opposition candidate Vice-Admiral Quintao Meireles having withdrawn on 19 July. According to the Interior Ministry, Sunday's turnout of eligible voters in the Lisbon area was the biggest in any election, but the final count will not be announced by the Supreme Court until 19 August.

[REDACTED] COMMENT: The chief interest is the extent of public endorsement as indicated by the total popular vote. Premier Salazar's stature appears to have been still further enhanced, since the attacks of the opposition were not directed against the Prime Minister personally, but against the alleged corruption of certain of his subordinates. There are also indications of the return to the fold of former stalwarts of the regime who had recently become estranged from Salazar.

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"C" CUBA. Rehabilitated Nicaro Plant May Relieve US Shortage of Nickel. The National Lead Company of the United States announced that it has acquired a substantial interest in the Nickel Processing Corporation which will operate the former Nicaro nickel property in Cuba. It is understood that rehabilitation work already has started, and the objective is to get production under way as soon as possible. The mine and the plant will be operated under contract with the General Services Administration of the US. [REDACTED] COMMENT: The Nicaro Nickel Plant was built by the Reconstruction Finance Corporation in 1942 at a cost of \$32 million. After the war, in view of the relatively low grade of the ore, mining operations were halted, but the plant was maintained in caretaker status by the General Services Administration. In October 1950 the US Munitions Board decided to rehabilitate the plant due to the great demand for nickel in the defense effort. A Dutch firm, Billiton Maatschappij of the Hague, was retained to conduct the overall work through its American subsidiary, the Mining Equipment Corporation of New York. The Nicaro plant, which is expected to begin operations within a few months, will produce 15,000 tons of nickel-oxide yearly. It is also planned to develop facilities at the plant to produce as a by-product, cobalt, another scarce strategic material.

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SECTION 2 (EASTERN)

"B" PAKISTAN. Delegation to Japanese Peace Conference. Foreign Minister Zafrullah Khan and M. A. Ispahani, Pakistani Ambassador to the United States, will head the Pakistani delegation to the Japanese Peace Conference. [REDACTED]

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"C" KOREA. ROK Interested in Additional US Defensive Assurances. President Rhee on 19 July expressed to US Ambassador Muccio his personal conviction that the US will not abandon Korea. In order to ease the minds of the Korean people, however, Rhee thought an alliance would be helpful.

Prime Minister Chang, the following day, stated that in whatever forms assurances might be made they should come from the US and not the UN. He was of the opinion that a treaty relationship would require a long time to consummate. Chang said if the US sincerely desires to stick by the ROK, a clear statement by a high level spokesman to that effect should be made prior to an armistice agreement. [REDACTED]

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[REDACTED] COMMENT: Ranking ROK officials undoubtedly feel considerable alarm over the prospect of a post-armistice divided Korea. The promise of US support, however, would also serve as a graceful way out of the predicament these same officials created when they instigated the present wave of anti-cease-fire protests.

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